

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair; Stanley Chang, Vice Chair;
Carol Fukunaga, Joey Manahan, Kymberly Marcos Pine

Committee Meeting Held
October 30, 2013

Honorable Ernest Y. Martin
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Resolution 13-253 entitled:

"RESOLUTION APPROVING COLLECTIVE BARGAINING COST ITEMS FOR
THE HAWAII GOVERNMENT EMPLOYEES ASSOCIATION BARGAINING
UNIT 13, INCLUDED, EXCLUDED, AND EXCLUDED MANAGERIAL
EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU,"

transmitted by Communication MM-155, dated October 16, 2013, from
Mayor Kirk Caldwell, reports as follows:

The purpose of the Resolution is to approve collective bargaining cost items for
the Hawaii Government Employees Association Bargaining Unit 13, included, excluded,
and excluded managerial employees of the City and County of Honolulu.

The Director of the Department of Human Resources testified in support of the
Resolution.

Your committee received no public testimony and no written testimony on the
Resolution.

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON NOV 13 2013

COMMITTEE REPORT NO. 342

REPORT OF THE COMMITTEE ON BUDGET

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Your Committee considered and approved a proposed posted CD1 version that makes the following amendments:

1. Amends the fourth WHEREAS clause to delete the reference to HRS section 89C-3(2).
2. Corrects the fifth WHEREAS clause to correct the reference to HRS section 89C-3(b)(2) and corrects the quote from the subsection so that it matches the language in the HRS.

Your Committee on Budget is in accord with the intent and purpose of Resolution 13-253, as amended herein, and recommends its adoption in the form attached hereto as Resolution 13-253, CD1. (Ayes: Kobayashi, Chang, Fukunaga, Pine – 4; Noes: None; Excused: Manahan - 1.)

Respectfully submitted,


Committee Chair

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON NOV 13 2013

COMMITTEE REPORT NO. 342



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE HAWAII GOVERNMENT EMPLOYEES ASSOCIATION BARGAINING UNIT 13, INCLUDED, EXCLUDED, AND EXCLUDED MANAGERIAL EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU.

WHEREAS, Chapter 89, Hawaii Revised Statutes (HRS), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to Chapter 89, HRS, the employers and representatives of Bargaining Unit 13 (Hawaii Government Employees Association) began negotiations in November 2012, concerning a collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, the parties agreed to a new contract which was ratified on October 14, 2013; and

WHEREAS, HRS Section 89C-2(4) states "For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis"; and

WHEREAS, HRS Section 89C-3(b)(2) states that the Director of Human Resources shall formulate a recommendation for City Council approval which "Ensure(s) that adjustments for excluded civil service employees result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction"; and

WHEREAS, the new collective bargaining agreement make adjustments to wages and is effective from July 1, 2013 through June 30, 2017; and

WHEREAS, pursuant to Section 89-10(b), HRS, the wage cost items are subject to appropriations by the respective legislative bodies; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approve the collective bargaining cost items for the Bargaining Unit 13 included, excluded, and excluded managerial employees of the City and County of Honolulu, a summary of which is attached as Exhibit A; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 13-253, CD1

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and the Director of Human Resources of the City.

INTRODUCED BY:

Ikaika Anderson (br)

DATE OF INTRODUCTION:

October 17, 2013
Honolulu, Hawaii

Councilmembers

**COLLECTIVE BARGAINING REPORT TO CITY COUNCIL
HGEA AGREEMENT FOR BARGAINING UNIT 13, EXCLUDED MANAGERIAL**

The current collective bargaining agreement for Bargaining Unit 13 with the Hawaii Government Employees Association (HGEA) expired on June 30, 2013. Negotiations for successor agreements began in November 2012. The Employer and Union tentatively agreed to a new contract on September 30, 2013. HGEA held statewide ratification meetings from October 8-11, 2013.

The settlement covers the following City employees:

Bargaining Unit	Included	Excluded	Total
13 – Professional and Scientific	928	75	1003

(Based on filled positions as of July 2013)

Summary of Settlement

I. Duration

Agreement is effective from July 1, 2013 to and including June 30, 2017.

II. Salaries

A. Bargaining Unit 13

1. Effective 7/1/13, increase the rates on the salary schedule by 4.0%, and 4.0% increase to employees not assigned to a salary schedule.
2. Effective 7/1/14, eligible employees receive “catch up” steps on the step movement plan.
3. Effective 7/1/14, employees who are on the maximum step as of 6/30/14, or not assigned to a salary schedule, or employed prior to 7/1/13 but not scheduled to receive a step movement during the period 7/1/14 through 6/30/15 and did not receive any step movement on 7/1/14 shall receive a one-time lump sum payment of \$1,500.
4. Effective 7/1/15, continuation of step movement plan.
5. Effective 1/1/16, increase the rates on the salary schedule by 3.5%, and 3.5% increase to employees not assigned to a salary schedule.
6. Effective 7/1/16, continuation of step movement plan.

7. Effective 1/1/17, increase the rates on the salary schedule by 3.5%, and 3.5% increase to employees not assigned to a salary schedule.

B. Excluded Managerial

In accordance with Chapter 89C-3(2), HRS, managers excluded from Bargaining Unit 13 shall be provided adjustments that result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction.

	Total
EM – Excluded Managerial	136

(Based on filled positions as of July 2013)

The following chart summarizes the City's estimated costs for the four-year contract period:

SALARY COSTS FOR BARGAINING UNIT 13 and EM					
	FY14	FY15	FY16	FY17	TOTAL FY14-17
Without BWS					
Included Employees	\$2,925,381	\$8,269,934	\$10,123,198	\$13,980,964	\$35,299,477
Excluded/EM Employees	\$1,988,680	\$4,284,947	\$4,688,912	\$6,965,666	\$17,928,205
TOTAL	\$4,914,061	\$12,554,881	\$14,812,111	\$20,946,629	\$53,227,682
With BWS					
Included Employees	\$3,216,645	\$9,065,348	\$11,114,903	\$15,364,975	\$38,761,870
Excluded/EM Employees	\$2,079,466	\$4,520,613	\$4,972,121	\$7,363,983	\$18,936,183
TOTAL	\$5,296,112	\$13,585,961	\$16,087,023	\$22,728,957	\$57,698,054

III. Employer-Union Health Benefits Trust Fund (EUTF)

- A. Effective 7/1/13, the Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for the Trust Fund health benefit plans and 100% of the premiums and fees for the Life Insurance plan.

- B. Effective 7/1/14, the Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all plans except the life insurance plan (for which the Employer shall pay 100% of the premium and fees) and the PPO and HMO plans. The Employer will pay a specific dollar amount for the PPO and HMO plans. The dollar amounts the Employer will pay will be the Employer Contribution rates plus an increase of \$10, \$20, or \$30, for the self-only, two-party, and family rates, respectively.
- C. Effective 7/1/15, the Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all plans except the life insurance plan (for which the Employer shall pay 100% of the premiums and fees) and the PPO and HMO plans. The Employer will pay a specific dollar amount for the PPO and HMO plans. The dollar amounts the Employer will pay will be the Employer Contribution rates plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively.
- D. Effective 7/1/16, the Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all plans except the life insurance plan (for which the Employer shall pay 100% of the premiums and fees) and the PPO and HMO plans. The Employer will pay a specific dollar amount for the PPO and HMO plans. The dollar amounts the Employer will pay will be the Employer Contribution rates plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively.

The total Employer's contribution for Bargaining Unit 13 and EM regarding EUTF is as follows:

FY 2014	FY 2015	FY 2016	FY 2017
\$6,737,058	\$7,056,751	\$7,376,288	\$7,700,695